

APR 13 2006

STATE OF SOUTH CAROLINA  
ADMINISTRATIVE LAW COURT

STATE OF SOUTH CAROLINA  
DEPARTMENT OF INSURANCE

American National Property )  
And Casualty Company, )

Docket No.:  
05-ALJ-09-0429-CC

*Respondent* )  
~~Petitioner,~~ )

v. )

CONSENT ORDER  
AND SETTLEMENT  
AGREEMENT

South Carolina Department of )  
Insurance, )

*Petitioner* )  
*Respondent.* )

\_\_\_\_\_  
*Petitioner* )

WHEREAS, the ~~Respondent~~, South Carolina Department of Insurance (hereinafter referred to as the "SCDOI"), sought to impose administrative penalties on the ~~Petitioner~~, American National Property and Casualty Company (hereinafter referred to as "ANPAC"), as the result of an insurance adjuster named Tommy M. Watson, a/k/a Mark Watson (hereinafter "Mr. Watson") adjusting claims for ANPAC after his South Carolina adjusting license had lapsed; and

WHEREAS, ANPAC, pursuant to S.C. Code Ann. § 38-43-130 (West Group 2002 rev.), filed a petition seeking administrative review by this Administrative Law Court of the SCDOI's efforts to impose penalties on ANPAC under S.C. Code Ann. §§ 38-43-30, 38-47-10 (West Group 2002 rev.); and

FILED

APR 11 2006

SC ADMIN. LAW COURT

WHEREAS, sometime prior to April 15, 2004, ANPAC retained Glomar Service, Inc. (hereinafter referred to as "Glomar"), an independent insurance adjusting firm located in Coryton, Tennessee, to assist ANPAC in and with the adjustment of certain property damage insurance claims in South Carolina; and

WHEREAS, in providing the adjusting services to ANPAC, Glomar assigned Mr. Watson to adjust property damage insurance claims for ANPAC in South Carolina; and

WHEREAS, at the time of Glomar's assignment of Mr. Watson to adjust claims for ANPAC in South Carolina, it was represented to ANPAC that Mr. Watson was a duly South Carolina licensed adjuster as required by S.C. Code Ann. §§ 38-47-10 et seq. (West Group 2002 rev.); and

WHEREAS, subsequent to Glomar's assignment of Mr. Watson to adjust property damage insurance claims for ANPAC in South Carolina, ANPAC became aware that Mr. Watson's South Carolina adjuster's license had inadvertently lapsed; and

WHEREAS, once ANPAC became aware of Mr. Watson's lapsed license status, ANPAC immediately took corrective steps to insure that the property damage insurance claims that were being

handled by Mr. Watson were re-assigned to and were thereafter handled by one or more claims adjusters holding a valid South Carolina adjuster's license; now therefore, it is

AGREED by ANPAC and the SCDOI that for and in consideration of the payment by ANPAC to the SCDOI of the sum of One Thousand Five Hundred Dollars (\$1,500.00), the SCDOI does hereby release and forever discharge ANPAC, its parent companies, subsidiaries, agents, servants, attorneys, employees, directors, representatives, insurance carriers (primary and excess), successors, administrators, and assigns from any and all claims (presently known or unknown), causes of action, demands, suits ~~at~~ <sup>in</sup> law or in equity, of whatsoever kind and/or nature, and/or any violations of S.C. Code Ann. §§ 38-43-30, 130; 38-47-10 (West Group 2002 rev.), specifically including, but not limited to, those claims and/or allegations set forth in ANPAC's Pre-Hearing Statement and the SCDOI's Pre-Hearing Statement filed with this Administrative Law Court; and it is

~~FURTHER~~ <sup>go</sup> AGREED that this is a compromise of a doubtful and disputed claim and ANPAC's payment herein in consideration of this Consent Order and Settlement Agreement and the SCDOI's

attendant release of all claims against ANPAC is not to be and should not be considered as any admission of liability by ANPAC, which is expressly denied; and it is

FURTHER AGREED that the provisions of the Consent Order and Settlement Agreement are contractual and not merely a recital and may be used as a defense in any subsequent action initiated by or on behalf of the SCDOI on the issues set forth herein; and it is

FURTHER AGREED that ANPAC's entry into this Consent Order and Settlement Agreement is not to be considered and should not be considered as an admission that either ANPAC, its parent companies, subsidiaries, agents, servants, attorneys, employees, directors, representatives, insurance carriers (primary and excess), successors, administrators, and/or assigns have violated any South Carolina statute and/or SCDOI administrative regulation; it is

FURTHER AGREED that ANPAC has entered into this Consent Order and Settlement Agreement in order to avoid further administrative litigation and to buy its peace; and it is

FURTHER AGREED this Consent Order and Settlement Agreement will be governed by South Carolina law and interpreted in and by a court sitting in the State of South Carolina; and it is

FURTHER AGREED that by the signature of their respective attorneys' and/or other authorized representatives upon this Consent Order and Settlement Agreement, both ANPAC and the SCDOI acknowledge that they understand<sup>165</sup> that this administrative order is a public record subject to the disclosure requirements of the South Carolina Freedom of Information Act as codified in S.C. Code Ann. §§ 30-4-10 through 660 (West Group 1985 and Supp. 2005); and it is

FURTHER AGREED that nothing contained in this Consent Order and Settlement Agreement should be construed to limit, or to deprive any person of, any private right of action under the law; and it is

FURTHER AGREED that nothing contained within this Consent Order and Settlement Agreement should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer; and it is

FURTHER AGREED that nothing contained within this Consent Order and Settlement Agreement should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110 (West Group 2002 rev.), of the Director of Insurance, exercised either directly or through the SCDOI, to report either to the South Carolina Attorney

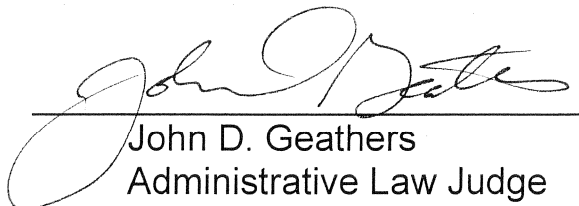
General and/or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which the Director of the SCDOI considers necessary to report; and it is

FURTHER AGREED that ANPAC acknowledges that it understands that this Consent Order and Settlement Agreement constitutes an administrative disciplinary order as contemplated by South Carolina insurance law statutes and/or applicable SCDOI administrative regulations; now therefore

IT IS ORDERED that in consideration of the SCDOI'S agreement to dismiss this action with prejudice, ANPAC shall, within 15 days of the below set forth date and the signature of the undersigned upon this Consent Order and Settlement Agreement, pay to the SCDOI an administrative fine in the total amount of \$1,500; and it is

FURTHER ORDERED that a copy of this Consent Order and Settlement Agreement shall be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states; and it is

SO ORDERED.

  
John D. Geathers  
Administrative Law Judge

Columbia, South Carolina

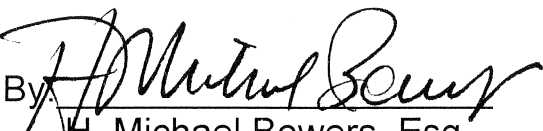
April 11, 2006


WE CONSENT:

NEXSEN PRUET, LLC

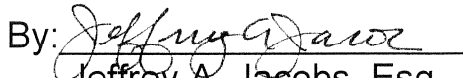
WE CONSENT:


SOUTH CAROLINA DEPT.  
OF INSURANCE

By:   
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Attorneys for the ~~Respondent~~  
~~Petitioner~~ 

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By:   
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P.O. Box 100105  
Columbia, SC 29202  
803.737.6200

Attorneys for the ~~Petitioner~~   
~~Respondent~~

CERTIFICATE OF SERVICE  
This is to certify that the undersigned has this date  
served this order in the above entitled action upon all  
parties to this cause by depositing a copy hereof,  
in the United States mail, postage paid, or in the Interagency  
Mail Service addressed to the party(ies) or their attorney(s).

This 11<sup>th</sup> day of April 2006  
By:   
Official Law Clerk